

WEIL, GOTSHAL & MANGES LLP

Stephen Karotkin (*pro hac vice*)
(stephen.karotkin@weil.com)
Theodore E. Tsekerides (*pro hac vice*)
(theodore.tsekerides@weil.com)
Richard W. Slack (*pro hac vice*)
(richard.slack@weil.com)
Jessica Liou (*pro hac vice*)
(jessica.liou@weil.com)
Matthew Goren (*pro hac vice*)
(matthew.goren@weil.com)
767 Fifth Avenue
New York, NY 10153-0119
Tel: 212 310 8000
Fax: 212 310 8007

KELLER BENVENUTTI KIM LLP

Tobias S. Keller (#151445)
(tkeller@kbbkllp.com)
Jane Kim (#298192)
(jkim@kbbkllp.com)
650 California Street, Suite 1900
San Francisco, CA 94108
Tel: 415 496 6723
Fax: 650 636 9251

*Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

JONES DAY

Bruce S. Bennett (SBN 105430)
(bbennett@jonesday.com)
Joshua M. Mester (SBN 194783)
(jmester@jonesday.com)
James O. Johnston (SBN 167330)
(jjohnston@jonesday.com)
555 South Flower Street
Fiftieth Floor
Los Angeles, CA 90071-2300
Tel: 213 489 3939
Fax: 213 243 2539

Attorneys for Shareholder Proponents

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**DEBTORS' AND SHAREHOLDER
PROONENTS' JOINT OPPOSITION TO
OFFICIAL COMMITTEE OF
UNSECURED CREDITORS' MOTION
FOR LEAVE TO FILE A SUR-REPLY
AND MOTION TO EXPEDITE
CONSIDERATION THEREOF**

1 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
2 debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases
3 (the “**Chapter 11 Cases**”), and the Shareholder Proponents,¹ jointly submit this opposition to the
4 *Official Committee of Unsecured Creditors’ Motion for Leave to Submit a Sur-Reply*, entered on June
5 1, 2020 [Docket No. 7703] (the “**Motion**”) and the *Emergency Motion of The Official Committee of*
6 *Unsecured Creditors to Expedite Consideration of Motion for Leave to File Sur-Reply* [Docket No.
7 7705] (the “**Motion to Expedite**,” and together, the “**Motions**”). For the reasons set forth below, the
8 Motions should be denied.

9 On May 22, 2020, the Debtors filed the *Plan Proponents’ Joint Memorandum of Law and*
10 *Omnibus Response in Support of Confirmation of Debtors’ and Shareholder Proponents’ Joint Chapter*
11 *11 Plan of Reorganization* [Docket No. 7528] (the “**Confirmation Brief**”). In the Confirmation Brief,
12 the Debtors responded to, among other things, the myriad arguments asserted by the Committee of
13 Unsecured Creditors (the “**UCC**”) in its *Limited Objection to Plan Confirmation* [Docket No. 7300] (the
14 “**UCC Objection**”). See Confirmation Br. 48–56. That was ten days ago. Now, on the eve of the legal
15 argument phase of the confirmation hearings in these Chapter 11 Cases, the UCC seeks the Court’s
16 permission to file a Sur-Reply to the Confirmation Brief, focusing on issues relating to indemnification
17 and contribution and the treatment of executory contracts. The UCC’s Motion is grossly late and
18 procedurally improper. The UCC had more than ample time to raise this request well-prior to the
19 eleventh hour and has provided no cognizable reason for delay. Under these circumstances, the Motion
20 should be denied.

21 Further, the UCC is wrong in suggesting that these issues were somehow raised “for the first
22 time” in the Confirmation Brief. That assertion implies the existence of prior briefing in which the
23 Debtors could or ought to have raised these purely legal arguments. The fact remains that the
24 Confirmation Brief was the Debtors’ first opportunity to raise these issues in response to the UCC
25

26 ¹ Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms
27 in the *Plan Proponents’ Joint Memorandum of Law and Omnibus Response in Support of Confirmation*
28 *of Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization* [Docket No. 7528].

1 Objection. Indeed, the Confirmation Brief was the only appropriate time for the Debtors to set forth
2 these arguments because they were in response to the UCC's Objection. It also should be noted that the
3 UCC's proposed Sur-Reply is largely dedicated to executory contract issues that the Court already has
4 said will not be addressed this week.

5 Given the UCC's failure to timely bring this Motion and that the Debtors did not improperly
6 raise "new" arguments in the Confirmation Brief, the Motion should be denied. To the extent the Court
7 allows the UCC to submit its Sur-Reply despite its delay in seeking relief, the Debtors and the
8 Shareholder Proponents request permission to file a short response for completeness of briefing on this
9 discrete issue.

10
11
12 Dated: June 1, 2020
New York, New York

13 **WEIL, GOTSHAL & MANGES LLP**

14 **KELLER BENVENUTTI KIM LLP**

15
16 By: /s/ Theodore E. Tsekerides
Theodore E. Tsekerides

17 *Attorneys for Debtors and Debtors in Possession*
18
19
20
21
22
23
24
25
26
27
28